

## Message Text

CONFIDENTIAL

PAGE 01 USUN N 02290 190032Z

ACTION ARA-14

INFO OCT-01 IO-13 ISO-00 TRSE-00 DHA-02 CIAE-00  
DODE-00 PM-05 H-01 INR-07 L-03 NSAE-00 NSC-05  
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FM USMISSION USUN NEW YORK

TO SECSTATE WASHDC IMMEDIATE 4526

INFO AMEMBASSY SANTIAGO

C O N F I D E N T I A L USUN 2290

E.O. 11652: GDS

TAGS: SHUM, CI

SUBJECT: CHILEAN OPPOSITION REACTIONS TO PINOCHET'S  
SPEECH, INITIATIVE OF CARDINAL SILVA TO REQUEST SUSPENDED USAID  
FUNDS FOR VICARIATE

REF: SANTIAGO 5678

1. SUMMARY: NEW YORK-BASED CHILEAN OPPOSITION AND EXILE  
GROUPS EXPRESS DISAPPOINTMENT OVER PINOCHET'S SPEECH AND  
EXPRESS A FEELING OF "ABANDONMENT" OVER WHAT THEY INTERPRET  
AS EMBASSY SANTIAGO'S STRONG ENDORSEMENT OF SAME SPEECH.  
CARDINAL SILVA SENDS KEY AIDE TO US TO CONTACT WILLIAM  
DYAL OF INTER-AMERICAN FOUNDATION (IAF) TO URGE THAT  
RECENTLY SUSPENDED USAID LOAN FUNDS TO CHILE BE RE-DIRECTED  
TO VICARIATE WITH ASSURANCE THAT THEY WOULD THUS  
CERTAINLY BE USED FOR THE POOR. END SUMMARY.

2. REFTEL WAS CORRECT IN PREDICTION THAT "CHILEAN  
POLITICAL EXILES ON THE WASHINGTON/PARIS/GENEVA CIRCUIT  
WILL FIND MUCH TO CRITICIZE IN PINOCHET'S PLAN". MISOFF  
HAS BEEN CONTACTED BY SEVERAL EXILES AND CHILEAN UN  
SECRETARIAT PERSONNEL TO EXPRESS THEY DISMAY OVER PLAN  
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PAGE 02 USUN N 02290 190032Z

AND TO CLAIM THAT EVEN THE CONSERVATIVE POLITICAL LEADERS  
IN CHILE, AS WELL AS SOME MEMBERS OF THE MILITARY, WERE  
DISAPPOINTED IN THE LONG-TERM PROCESS OUTLINED BY PINOCHET.  
CONTACTS POINT OUT SIMILARITY OF PLAN OUTLINED BY PINOCHET  
AND MUSSOLINI'S AND FRANCO'S "COUNCILS OF STATE" AND  
DESPONDENTLY SAY THAT IF THE PLAN STICKS AND IS SUPPORTED  
BY THE USG, "PINOCHET WILL BE PRESIDENT UNTIL 1991--18 YEARS".

(THEY ARGUE THAT THE COUNCIL OF STATE WHICH HE WILL APPARENTLY COMINATE AND HELP NAME WOULD PBOBABLY "ELECT" HIM IN 1985 TO SIX MORE YEARS.) CONTACTS CLAIM SPEECH WAS : (1) PRE-EMPITIVE, TO STOP EXTERNAL PRESSURE BY GIVING FALSE ASSURANCES; (2) TO BUY TIME INSIDE THE MILITARY; AND (D) ILLUSORY, IN THAT IT DID NOT MENTION ANY IMMEDIATE STEPS THAT MIGHT RELIEVE SOMEWHAT THE REPRESSION IN CHILE (AS REFTEL, PARAGRAPH 11, ALSO STATES).

3. CONTACTS ALSO EXPRESS DISLLUSIONMENT OVER WHAT THEY CONSIDER TO BE EXCESSIVELY WORDED LANGUAGE (AS REPORTED IN SANTIAGO PRESS) OF EMBASSY STATEMENT OF "MOST CORDIAL AND FORMAL POSITIVE REACTION THAT (THE SPEECH) HAS HAD IN THE HEADQUARTERS OF MY GOVERNMENT..."("EL MERCURIO" OF JULY 13, 1977). SOME OF CONTACTS ATTRIBUTE REMARKS (AS REPORTED IN PRESS) TO CLOSE PERSONAL REALTIONSHIP THEY ALLEGE BETWEEN US CHARGE BOYATT AND PINOCHET, DATING FROM BOYOTT'S ASSINGMENT AT ANTOPAGASTA IN EARLY 1960'S. EMIGRES CLAIMED EMBASSY STATEMENT EXCEEDED THAT OF DEPARTMENT'S PRESS OFFICER.

4. EMIGRES ALSO REPORTED THAT RAUL HENRIQUEZ CARDINAL SILVA, CARDINAL-ARCHBISHOP OF SANTIAGO, UPON READING IN "EL MERCURIO" A TRANSLATION OF "NEW YORK TIMES" JULY 4, 1977 EDITORIAL ON DILEMMA REGARDING US AID TO CHILE, IMMEDIATELY CALLED IN DOMINGO SANTAMARIA (FORMER CHILEAN AMBASSADOR CONFIDENTIAL

CONFIDENTIAL

PAGE 03 USUN N 02290 190032Z

TO US UNDER FREI AND NOW IN STAFF OF THE CARDINAL) AND INSTRUCTED HIM TO SEEK AND INTERVIEW WITH WILLIAN DYAL (DIRECTOR OF IAF) TO SEE WHAT COULD BE DONE TO RE-DIRECT THE TWO USAID LOANS FOR CHILE SUSPENDED IN LATE JUNE TO VICARIATE. THE CARDINAL WAS SUPPOSED TO HAVE SAID, REACTING TO THE "TIMES" EDITORIAL, "WELL, I REPRESENT THE POOR, AND I CAN MAKE SURE THE MONEY GETS TO THE POOR." SANTAMARIA ARRIVED IN NYC JULY 16 FLEW TO WASHINGTON JULY 18, WAS BELIEVED TO HAVE AN APPOINTMENT PM JULY 18 WITH DYAL AND WITH COLIN BRADFORD (DEPARTMENT OF TREASURY). CONTACTS HERE COULD ONLY SUGGEST DYAL AS CONTACT. SANTAMARIA PLANS TO LEAVE WASHINGTON WEDNESDAY, JUNE 20, FOR KANSAS CITY, WHERE HE WILL ATTEND A WORLD-WIDE CHARISMATIC MOVEMENT CONFERENCE. SANTAMARIA WILL RETURN TO NYC SATURDAY NIGHT AND LEAVE FOR CHILE TUESDAY. MISOFF WILL SEEK INTERVIEW WITH HIM IF SO REQUESTED CASE NO CONTACT MADE IN WASHINGTON.

5. SILVA'S ARGUMENT IS THAT SINCE PONOCHET REPORTEDLY SAID SHORTLY AFTER LOANS WERE SUSPENDED THAT CHILE WOULD ACCEPT NO MORE LOANS, THAT "CHILE WAS NOT A BEGGER", AND SINCE HE BELIEVES ON THE BASIS OF HIS RECENT TRIP TO THE

US (WHERE HE RECEIVED AN HONORARY DEGREE AT WILLIAMS AND TALKED WITH AMBASSADOR YOUNG AT LENGTH, AND HAD MANY OTHER CONTACTS) THAT THE VICARIATE HAS A SOLID REPUTATION HERE, THAT SUCH AN ARRANGEMENT MIGHT BE FEASIBLE. (THE IAF HAS APPARENTLY GIVEN SIGNIFICANT ENCOURAGEMENT IN FINANCIAL AND OTHER WAYS TO THE VICARIATE AND THE CARDINAL DURING THE PAST FEW YEARS, CONTACTS HERE IMPLY).

6. COMMENT. CARDINAL'S SWIFT ACTION ENCOURAGED ANTI-REGIME CIRCLES HERE THAT FORCES SEEKING TO REMEDY OVERALL SITUATION IN CHILE ARE NOT DEAD AND CAN BE EXPECTED TO REMAIN ACTIVE IN YEARS TO COME. END COMMENT.  
LEONARD

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## Message Attributes

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